

The Market Week in Review

For Week Ending August 20, 2016

THE MARKETS

It was a relatively quiet trading week and most markets only saw modest moves by week's end. All the major indices began the week setting new all-time highs, but the enthusiasm faded as the week rolled on. Interest rates remained range bound, but moved six basis points higher to 1.58 on the 10 Year Treasury Note. Gold and oil are two commodities that have been on many traders' radars recently, and the former was essentially flat while the latter climbed over \$4 higher to \$49 a barrel.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,576.47	18,552.57	-23.90	-0.13%	6.47%
Nasdaq	5,232.89	5,238.38	5.49	0.10%	4.61%
S&P 500	2,184.05	2,183.87	-0.18	-0.01%	6.85%
Russell 2000	1,229.82	1,236.77	6.95	0.57%	8.88%

DAILY DEVELOPMENTS

MONDAY

The National Association of Home Builders housing market index rose 2 points in August pushing to 60. Readings over 50 indicate more home builders are optimistic than pessimistic. Both the present sales and future sales components registered gains.

Contact Us

- Our Website:
www.estatecounselors.com
- Our E-mail:
firm@estatecounselors.com
- Our Phone Number:
(262) 238-6996
- Our Address:
414 N. Main Street
Thiensville, WI 53092

TUESDAY

The Labor Department said Tuesday that the consumer-price index was unchanged on a seasonally adjusted basis in July as a 4.7% fall in gasoline costs and a 0.2% decline in grocery items offset higher prices for shelter and medical care. Excluding the often-volatile categories of food and energy, consumer prices rose 0.1% in July. Overall prices were up just 0.8% on a year over year basis. Weak inflationary pressures could encourage the Federal Reserve to proceed with its long-deferred interest rate hike.

More good news regarding the housing market was released on Tuesday when the Commerce Department announced that construction on new homes in July increased 2.1 percent to a seasonally adjusted annual pace of 1.2 million units, the highest level since February. However, the news was not all good, as permits for future construction dipped 0.1 percent to a 1.15 million-unit rate last month. Single-family housing starts rose 0.5% to 770,000, while permits fell 3.7%. But multi-family housing units of 5 or more jumped 8.3% to 433,000 and permits rose by 6.5%.

Industrial production climbed 0.7% in July, the biggest percentage rise since November 2014, the Federal Reserve said Tuesday. June production was revised down to a positive 0.4% from a previously reported 0.6% gain.

WEDNESDAY

Minutes from the Federal Reserve's policy making committee were released on Wednesday. The minutes showed that members of the U.S. central bank's rate-setting Federal Open Market Committee were generally upbeat about the U.S. economic outlook and labor market, and suggested that an interest rate hike was forthcoming. Some members had said "another increase in the federal funds rate was or would soon be warranted, with a couple of them advocating an increase at this meeting," according to the minutes. But the minutes also noted that "consumer price inflation continued to run below the committee's longer-run objective of 2 percent", suggesting future rate hikes are likely to be modest.

THURSDAY

First time claims for jobless benefits in the U.S. dropped by 4,000, to 262,000, last week, indicating that the steady strengthening of the U.S. labor market is continuing. The four week moving average increased to 265,250 last week from 262,750. The number of people continuing to receive jobless benefits rose by 15,000 to 2.175 million in the week ended August 6th, the highest level since April, though still historically low.

FRIDAY

There was no major economic news on Friday.

TIDBITS

Analysts are starting to warn that the level of dividends being paid out by some major U.S. corporations is unsustainable. The annual dividend paid by 44 Standard & Poor's 500 companies in the second quarter exceeded their net income for the entire previous 12 months, according to data from FactSet.

QUOTE OF THE WEEK

“It’s not that I am so smart; it’s just that I stay with problems longer.”
- Albert Einstein

I hope you have found the information in this week’s market summary informative. If you would like to comment on any of the information found in this week’s Market Commentary please e-mail me at awillms@estatecounselors.com. If you would like to discuss how current market conditions could impact your investments, please feel free to call me at the number listed below.

Best regards,

Andy

Andrew J. Willms, J.D. LL.M.

Estate Counselors, LLC
414 N. Main Street
Thiensville, WI 53092
Phone (262) 238-6996
Fax (262) 238-6999
www.estatecounselors.com

Important Disclosures: The information and statistics in The Market Week in Review have been obtained from sources we believe to be reliable but are not guaranteed by us to be accurate or complete. Any and all earnings, projections, and estimates assume certain conditions and industry developments, which are subject to change. The opinions stated are those of Estate Counselors, LLC, but are not intended to be a substitute for personal investment advice. Services provided by Estate Counselors, LLC do not constitute legal services and are not being provided by Willms, S.C. law firm. Communications between Estate Counselors, LLC and its clients are therefore not covered by the attorney-client privilege, and as a result may be discoverable by third parties. All such communications are, however, covered by Estate Counselors, LLC's privacy policy, a copy of which is available on request. Please let us know if you would like to discontinue receiving it. Thank you.
